



Council Communication

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: EDGAR MEDINA, P.E., ASSISTANT TOWN ENGINEER, 480-503-6754

THROUGH: MIKE GILLESPIE, P.E., TOWN ENGINEER
GREG TILQUE, DEVELOPMENT SERVICES DIRECTOR
MARC SKOCYPEC, ASSISTANT TOWN MANAGER

MEETING DATE: APRIL 19, 2012

SUBJECT: APPROVAL OF A CONTINGENCY FUND TRANSFER AND CHANGE ORDER NO. 2 TO THE DESIGN CONTRACT WITH BURGESS AND NIPLE FOR SONORA TOWN WATER AND WASTEWATER IMPROVEMENTS, CIP PROJECT NO. WA082, CONTRACT NO. 2009-7009-0336.

STRATEGIC INITIATIVE: Infrastructure

This project supports Gilbert's strategic initiative for Infrastructure as it expands and improves the water and waste water systems to meet the needs of Gilbert's citizens.

LEGAL REVIEW

☒ Complete

☐ N/A

FINANCIAL REVIEW

☒ Complete

☐ N/A

RECOMMENDED MOTION

A MOTION TO:

- A. APPROVE A CONTINGENCY FUND TRANSFER TO SONORA TOWN WATER AND WASTEWATER IMPROVEMENTS, CIP PROJECT NO. WA082, IN AN AMOUNT OF \$28,803 AND,**
- B. APPROVE CHANGE ORDER NO. 2 TO INCREASE THE DESIGN CONTRACT WITH BURGESS AND NIPLE FOR SONORA TOWN WATER AND WASTE WATER IMPROVEMENTS, CIP PROJECT NO. WA082, IN THE AMOUNT OF \$28,803 AND AUTHORIZE THE MAYOR TO EXECUTE THE REQUIRED DOCUMENTS.**

BACKGROUND/DISCUSSION

Town Council approved the 2011-16 Capital Improvement Program (CIP) which calls for funding the replacement of an aging water infrastructure, installation of a sanitary sewer system, minor roadway improvements and streetlights for Sonora Town (a residential subdivision) located at the southwest corner of Warner and Gilbert roads. The subdivision is comprised of 37 lots with 23 dwellings.

In April 2009, Town Council approved an allocation of \$175,000 in 2008/2009 Community Development Block Grant Recovery Funds to the Sonora Town Water and Wastewater Project. With said allocation, Gilbert procured professional engineering services with Burgess & Niple to prepare improvement plans.

In FY 2008-2009, the Community Services Committee recommended and Council approved \$260,715 in CDBG funds for the Sonora Town Sewer Project. In 2009, Gilbert was awarded an American Recovery and Reinvestment Act (ARRA) grant in the amount of \$179,986 for infrastructure improvements which was also allocated to the Sonora Town Sewer Project. Finally, in FY 2009-2010, the scope of the project was changed to include water infrastructure improvements and street lighting and was awarded an additional \$276,290 in CDBG funds. The total amount of CDBG funds awarded and approved by Council and HUD for the Sonora Town project is \$716,991.

In March 2011, bids were opened for this design bid build project. A total of nine bids were received with Subterranean Construction Corporation (Subterranean) being the lowest responsive and responsible bidder. Subterranean was issued the Notice to Proceed on May 9, 2011. Early in the construction phase several issues arose that led Staff to terminate the construction contract with Subterranean. The construction contract with Subterranean was terminated by Gilbert Town Council on June 23, 2011.

In April 2011, Council approved Change Order No. 1. Change Order No. 1 work included applying for the extension of the Authorization to Construct and the preparation of related documents with that application.

As a result of the termination of Subterranean Construction Burgess & Niple had to duplicate preconstruction service efforts with R.K. Sanders Inc, the new construction contractor. Change Order No. 2 deals with the additional time and effort to complete these activities. These preconstruction efforts included; additional meetings, review on submittals and input on the master construction schedule for the project. In addition Burgess & Niple provided redesign services for water and waste water lines within Alley 2 due to unforeseen existing utility and ROW conditions. Burgess & Niple also provided plan and profile redesign for removal and replacement of asphalt pavement with an engineered subgrade. During the initial design, only replacement of the existing asphalt was scoped for the project. After Staff witnessed the varying conditions of the roadway subgrade a decision was made to replace the subgrade in addition to new asphalt. The life span of the asphalt pavement would have greatly decreased without a constant subgrade.

The Contract was reviewed for form by Attorney Susan Goodwin.

FINANCIAL IMPACT

This project is identified in the 2011-16 Capital Improvement Program as Project No. WA082, funded through CDBG Funds and having a total budget of \$585,000. However, upon reviewing previously approved Council allocations for this project, there is a total project budget of \$716,991.

Therefore, a Contingency Fund Transfer of \$28,803 is required to cover this change order, while a budget correction is performed in the FY 13 budget update to reflect the previously Council approved allocations.

Summary of Contract Activity

Original Contract Amount	\$95,800	Approved 6/30/09
Change Order No. 1	\$ 4,957	Approved 4/18/11
Change Order No. 2	<u>\$28,803</u>	Pending Approval
Proposed Total Amount	\$129,560	

Project Accounting Code: wa082-7520-8011

The financial impact was reviewed by Dawn Irvine, Budget Administrator.

STAFF RECOMMENDATION

Staff has reviewed the change order and determined that the amount is consistent with the scope and fees for the desired services and recommends approval of Change Order No. 2.

Respectfully submitted,



Edgar Medina, P.E.
Assistant Town Engineer
edgar.medina@gilbertaz.gov

Attachments and Enclosures: Change Order No. 2

CHANGE ORDER NO.2
(Design Bid Build)

PROJECT: Sonora Town
DATE: 1/31/12
OWNER: Town of Gilbert
PROJECT NO: WA082
CONTRACT NO: 2009-7009-0336
A/E: Burgess and Niple
CONTRACT DATED: 7/28/2009

CHANGES: The CONTRACT is changed as follows:

As a result of the termination of the original low bid contractor the A/E had to duplicate all preconstruction service efforts with the new construction contractor. Additional weekly progress meetings were also required because of the termination. Provide redesign services for Alley 2 due to unforeseen existing utility and ROW conditions. Plan and profile redesign of asphalt pavement.

<u>COST/TIME:</u> Original CONTRACT SUM:	\$95,800
Previously Authorized CHANGE ORDERS:	\$4,957
CONTRACT Price prior to this CHANGE ORDER:	\$100,757
CHANGE ORDER # 2 Amount:	\$28,803
New Contract Price:	\$129,560

CONTRACT TIME will be increased by: N/A

SUBSTANTIAL COMPLETION as of this Change Order: 4/21/12

Approved/Accepted by:

A/E:	_____	_____
	(Name)	(Date)
PM/CM:	_____	_____
	(Name)	(Date)
GILBERT:	_____	_____
	(Name)	(Date)

Not valid until signed by both GILBERT and PM/CM. Signature of A/E indicates acceptance, including CONTRACT PRICE and CONTRACT TIME.

A/E agrees that the adjustment of the Fee and Contract Time reflected in this Change Order represents the entire and complete adjustment of the Fee and Contract Time for the changes set forth in this Change Order. The adjustment of the Fee includes all direct costs of labor materials, services and equipment to complete such changes as well as any and all indirect costs of impacts, delays, interference or hindrances in performing, providing and completing the changes set forth in this Change Order. The adjustment of the Contract Time includes all adjustments of time necessary to perform, provide and complete the changes set forth in this Change Order and any and all impacts, delays, interference or hindrances in performing, providing and completing the changes.